

U.S. Department of Justice

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NEWS RELEASE

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Paul J. McNulty, United States Attorney for the Eastern District of Virginia, announced that James R. Niblock, 56, of Vienna, Virginia, pleaded guilty today before the Honorable Henry E. Hudson, United States District Judge for the Eastern District of Virginia, to five counts of wire fraud stemming from his scheme to embezzle almost \$10 million from a real estate escrow account he maintained. Niblock entered his plea following two days of trial. He faces a maximum penalty of five years in prison, full restitution, and a fine of \$250,000 for each of the five counts. Judge Hudson, noting that Niblock was a threat to financial institutions, remanded him to the custody of the United States Marshals Service pending the July 18, 2003, sentencing.

Niblock was the owner and operator of America's Mortgage, a national loan broker, and First National Title and Escrow, a real estate settlement company. Both companies were located in Reston, Virginia. Niblock concealed his ownership of First National with the use of a nominee.

Niblock's company, America's Mortgage, generated business with mass mailings and telemarketing. After America's Mortgage customers agreed to refinance their residential mortgages through new lenders, Niblock used First National to settle the new loans. The lending institutions wired loan proceeds to the First National escrow account for disbursement pursuant to the lenders instructions, which were reported on real estate settlement statements. The employees and agents of First National directed the borrowers to execute notes and mortgages and represented that their prior mortgage loans would be paid with the new loan proceeds. Niblock misappropriated the loan proceeds and failed to pay off the prior loans, leaving the borrowers with two loans secured by their property. Niblock also instructed the employees of First National to prepare false documents, including false and misleading real estate documents, to conceal his embezzlement.

During the months of April through June 2002, Niblock transferred \$1.3 million from the escrow account to other accounts that were under his control. The two-day trial presented evidence of Niblock's extravagant use of the proceeds of his fraud for, among other things, the purchase of a \$1.5 million residence in Vienna, Virginia, and a \$1.1 million residence in Boca Raton, Florida.

United States Attorney Paul McNulty, noting the extensive nature of the fraud and the significant amount embezzled, stated: "This office has prosecuted a number of cases involving the embezzlement of real estate loans by settlement agents entrusted with the loan proceeds. We will continue to vigorously investigate and prosecute such cases to maintain confidence in the real estate market."

The case was investigated by agents of the Federal Bureau of Investigation and prosecuted

for the United States by Assistant United States Attorneys Dana Boente and Charles F. Connolly. Further questions may be directed to the U.S. Attorney's Office.

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